

**HOUSING AUTHORITY OF GRANT PARISH**  
**REPORT ON EXAMINATION OF**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**  
**TWELVE MONTHS ENDED MARCH 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-27-05

**Mike Estes, P.C.**  
A Professional Accounting Corporation

**HOUSING AUTHORITY OF GRANT PARISH**  
**REPORT ON EXAMINATION OF**  
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**TWELVE MONTHS ENDED MARCH 31, 2005**

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MEMBER AMERICAN  
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Independent Auditor's Report

Board of Commissioners  
Housing Authority of Grant Parish  
Georgetown, Louisiana

We have audited the accompanying financial statements of each major fund of the Housing Authority of Grant Parish as of and for the year ended March 31, 2005, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Grant Parish's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of Grant Parish, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments; Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2005, on our consideration of the Housing Authority of Grant Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Grant Parish's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Housing Authority of Grant Parish. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying Financial Data Schedules required by HUD are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.  
Fort Worth, Texas  
July 15, 2005

**HOUSING AUTHORITY OF GRANT PARISH, LOUISIANA**

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

**MARCH 31, 2005**

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Housing Authority of Grant Parish, Louisiana  
Management's Discussion and Analysis (MD&A)  
March 31, 2005

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The management of Public Housing Authority of Grant Parish presents the following discussion and analysis of the Housing Authority's financial activities for the fiscal year ending March 31, 2005. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's audited financial statements, which follows.

#### **FINANCIAL HIGHLIGHTS**

- The Housing Authority's assets exceeded its liabilities by \$620,448 at the close of the fiscal year ended 2005.
  - ✓ Of this amount \$546,930 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, and equipment.
  - ✓ The remainder of \$73,518 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 15% of the total operating expenses of \$503,343 for the fiscal year 2005, which means the Authority might be able to operate about 2 months using the unrestricted assets alone.
- The Housing Authority's total net assets decreased by \$30,219, a 5% change from the prior fiscal year 2004. This decrease is attributable to depreciation expense, which is the Authority's largest non-cash expense, described in more detail below.
- The decrease in net assets of these funds was accompanied by an increase in unrestricted cash by \$2,287 from fiscal year 2004.
- The Authority spent \$22,792 on capital asset additions during the current fiscal year.
- These changes led to a decrease in total assets by \$52,868 and a decrease in total liabilities by \$23,238. However, as another measure of financial health, there are still over \$3 of current assets covering each dollar of total liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.
- The primary source of funding for these activities continues to be the Department of Housing and Urban Development (HUD).

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed.

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Housing Authority of Grant Parish, Louisiana  
Management's Discussion and Analysis (MD&A)  
March 31, 2005

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### **Reporting on the Housing Authority as a Whole**

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2005?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

### **Fund Financial Statements**

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

### **USING THIS ANNUAL REPORT**

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant funds:

- General Fund
- Section 8 Housing Choice Voucher Fund

The Housing Authority's auditors provided assurance in their independent auditors' report, located immediately preceding the MD&A, that the basic financial statements are fairly stated. The auditors *provide varying degrees of assurance regarding the other information included in this report*. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

### **Reporting the Housing Authority's Most Significant Funds**

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.



Housing Authority of Grant Parish, Louisiana  
 Management's Discussion and Analysis (MD&A)  
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The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

**FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$620,448 as of March 31, 2005. Of this amount, \$546,930 was invested in capital assets, and the remaining \$73,518 was unrestricted. No other specific Assets are restricted.

**CONDENSED FINANCIAL STATEMENTS**

| <b>Condensed Balance Sheet<br/>           (Excluding Interfund Transfers)<br/>           As of March 31,</b> |                    |                    |
|--|--------------------|--------------------|
|  | <b><u>2005</u></b> | <b><u>2004</u></b> |
| <b>ASSETS</b>  |                    |                    |
| Current Assets   | \$ 100,169         | \$ 106,663         |
| Capital Assets, Net of Depreciation  | 546,930            | 593,304            |
| Total Assets   | <u>647,099</u>     | <u>699,967</u>     |
| <b>LIABILITIES</b>   |                    |                    |
| Current Liabilities  | 21,473             | 40,906             |
| Non-Current Liabilities  | 5,178              | 8,983              |
| Total Liabilities  | <u>26,651</u>      | <u>49,889</u>      |
| <b>NET ASSETS</b>  |                    |                    |
| Invested in Capital Assets, Net of Depreciation  | 546,930            | 593,304            |
| Unrestricted Net Assets  | 73,518             | 56,774             |
| Total Net Assets   | <u>620,448</u>     | <u>650,078</u>     |
| Total Liabilities and Net Assets   | <u>647,099</u>     | <u>699,967</u>     |

Housing Authority of Grant Parish, Louisiana  
 Management's Discussion and Analysis (MD&A)  
 March 31, 2005

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net assets of these funds decreased by \$30,219, or by 5%, from those of fiscal year 2004, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

| <b>Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets</b> |                       |                       |
|--|-----------------------|-----------------------|
| <b>(Excluding Interfund Transfers)</b>   |                       |                       |
| <b>Fiscal Year Ended March 31,</b>   |                       |                       |
|  | <b><u>2005</u></b>    | <b><u>2004</u></b>    |
| <b>OPERATING REVENUES</b>  |                       |                       |
| Federal Grants - Operating   | \$ 419,277            | \$ 436,712            |
| Rental Revenue   | 27,880                | 34,400                |
| Other Tenant Revenue   | 250                   | 5,151                 |
| Total Operating Revenues   | <u>447,407</u>        | <u>476,263</u>        |
| <b>OPERATING EXPENSES</b>  |                       |                       |
| Housing Assistance Payments to Landlords   | 253,810               | 271,091               |
| Administration   | 125,793               | 124,979               |
| Depreciation   | 69,165                | 64,976                |
| Ordinary maintenance and repairs   | 26,681                | 37,702                |
| General  | 19,129                | 21,065                |
| Utilities  | 8,765                 | 9,457                 |
| Total Operating Expenses   | <u>503,343</u>        | <u>529,270</u>        |
| (Losses) from Operations   | <u>(55,936)</u>       | <u>(53,007)</u>       |
| <b>NON-OPERATING REVENUES</b>  |                       |                       |
| Federal Grants - Capital   | 16,891                | 9,450                 |
| Other Revenue  | 7,746                 | 5,383                 |
| Interest and Investment Income   | 1,080                 | 693                   |
| Total Non-Operating Revenues   | <u>25,717</u>         | <u>15,526</u>         |
| <b>NET (DECREASES) IN NET ASSETS</b>   | <u>(30,219)</u>       | <u>(37,481)</u>       |
| <b>NET ASSETS, Beginning of Year</b>   | <u>650,667</u>        | <u>688,148</u>        |
| <b>NET ASSETS, End of Year</b>   | <u><u>620,448</u></u> | <u><u>650,667</u></u> |

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Housing Authority of Grant Parish, Louisiana  
Management's Discussion and Analysis (MD&A)  
March 31, 2005

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## EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues decreased \$21,524, or by 4%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal revenues from HUD for operations decreased by \$17,435, or by 4% from that of the prior fiscal year. The determination of operating grants is based upon a three year average of past operations performance. The current contributions were less because of slight decreases in performance of at least one of the prior fiscal years' operations.
- Total tenant revenue decreased by \$11,421, or by 29% from that of the prior fiscal year, from a combination of two factors: Tenant rental revenues decreased by \$6,521, or by 19%, partly because occupancy rates decreased by 4%. More importantly, however, the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes decreased, so rent revenue from these tenants decreased accordingly, lowering the overall total. Finally, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) decreased by \$4,900, or by 95%.
- Federal Capital Funds from HUD increased by \$7,441, or by 79% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for the fiscal year 2004.
- Non-operating revenues and interest and investment income totaling \$5,968, did not change significantly from the prior to the current year.

Compared with the prior fiscal year, total operating and non-operating expenses decreased \$25,927, or by 5%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Housing Assistance Payments to landlords decreased by \$17,281, or by 7% from that of the prior fiscal year. There was a decrease in the number of tenants qualifying for subsidy during the year. Consequently, related revenues from HUD for these subsidies decreased by \$22,082.
- Ordinary maintenance and repairs decreased by \$11,022, or by 29% from that of the prior fiscal year, due to several offsetting factors: Repair staff wages decreased by \$8,180, or by 44%, and related employee benefit contributions decreased by \$6,030, or by 57%. However, materials used increased by \$3,137, or by 53%, but contract labor did not change significantly.
- General Expenses decreased by \$1,936, or by 18% from that of the prior fiscal year, primarily due to several offsetting changes: Insurance premiums increased by \$3,718, or by 30%. Also, uncollectible rents from vacated units decreased by \$5,647, or by 89%, because collections were significantly improved during the current fiscal year.
- Depreciation expense increased by \$4,189, or by 6% from that of the prior fiscal year, because there was an increase in capital assets by \$22,792.
- Utilities Expense decreased by \$693, or by 7% from that of the prior fiscal year, primarily because water consumption decreased.

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Housing Authority of Grant Parish, Louisiana  
Management's Discussion and Analysis (MD&A)  
March 31, 2005

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- Administrative Expenses increased by only \$226, however, this was due to a combination of much more significant but offsetting factors: Administrative staff salaries decreased by \$1,031, staff vacation and sick leave pay decreased by \$2,327, and related employee benefit contributions decreased by \$3,229; therefore, total staff salaries and benefit costs decreased by 7%. Audit fees increased by \$3,334, and legal fees increased by \$500. Thus, total outside professional fees increased by 32%. Staff travel reimbursements increased by \$2,793 whereas staff training costs decreased by \$806, for a total increase of 5%. Finally, sundry expenses increased by \$1,134, or by 6%.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2004, the Housing Authority had a total cost of \$1,686,391 invested in a broad range of assets and construction in progress from projects funded in 2002 through 2004, listed below. This amount, not including depreciation, represents increases of \$22,791 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation  
As of March 31,**

|                         | <u><b>2005</b></u>    | <u><b>2004</b></u>    |
|-------------------------|-----------------------|-----------------------|
| Land                    | \$ 2,500              | \$ 2,500              |
| Buildings               | 442,503               | 483,283               |
| Leasehold Improvements  | 70,874                | 78,305                |
| Furniture and Equipment | <u>31,053</u>         | <u>29,216</u>         |
| Total                   | <u><u>546,930</u></u> | <u><u>593,304</u></u> |

As of the end of the 2004 fiscal year, the Authority is still in the process of completing HUD grants of \$51,811 obtained for the 2004 fiscal year. A total remainder of \$31,811 will be received and \$25,516 will be spent for completing these projects during fiscal year 2006.

### **Debt**

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2006 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

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Housing Authority of Grant Parish, Louisiana

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Management's Discussion and Analysis (MD&A)

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March 31, 2005

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**CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact H.D. Jones, Executive Director, at Public Housing Authority of Grant Parish; P.O. Box 10; Georgetown, LA 71432.

## EXHIBIT A

**HOUSING AUTHORITY OF GRANT PARISH  
ENTERPRISE FUNDS - BALANCE SHEET  
YEAR ENDED MARCH 31, 2005**

|  | General           | Housing Choice<br>Vouchers | Total             |
|--|-------------------|----------------------------|-------------------|
| <b>ASSETS</b>                                      |                   |                            |                   |
| Current assets                                     |                   |                            |                   |
| Cash and cash equivalents                          | \$ 60,334         | \$ 5,390                   | \$ 65,724         |
| Accounts receivable net                            | 28,643            | 1,447                      | 30,090            |
| Interfund receivable                               | 0                 | 962                        | 962               |
| Prepaid items and other assets                     | 777               | 0                          | 777               |
| Inventory  | 140               | 0                          | 140               |
| Restricted assets – cash                           | 3,438             | 0                          | 3,438             |
| <b>Total Current Assets</b>                        | <b>93,332</b>     | <b>7,799</b>               | <b>101,131</b>    |
| Capital Assets, net                                |                   |                            |                   |
| Land   | 2,500             | 0                          | 2,500             |
| Buildings, and equipment (net)                     | 544,430           | 0                          | 544,430           |
| <b>Total Capital Assets, net</b>                   | <b>546,930</b>    | <b>0</b>                   | <b>546,930</b>    |
| <b>Total Assets</b>                                | <b>\$ 640,262</b> | <b>\$ 7,799</b>            | <b>\$ 648,061</b> |
| <b>LIABILITIES</b>                                 |                   |                            |                   |
| Current Liabilities                                |                   |                            |                   |
| Accounts payable                                   | \$ 3,143          | \$ 7,979                   | \$ 11,122         |
| Deferred revenue                                   | 588               | 2,169                      | 2,757             |
| Compensated absences payable                       | 2,094             | 2,650                      | 4,744             |
| Interfund payable                                  | 962               | 0                          | 962               |
| Deposits due others                                | 2,850             | 0                          | 2,850             |
| <b>Total Current Liabilities</b>                   | <b>9,637</b>      | <b>12,798</b>              | <b>22,435</b>     |
| Noncurrent Liabilities                             |                   |                            |                   |
| Compensated absences payable                       | 5,178             | 0                          | 5,178             |
| <b>Total Liabilities</b>                           | <b>14,815</b>     | <b>12,798</b>              | <b>27,613</b>     |
| <b>NET ASSETS</b>                                  |                   |                            |                   |
| Invested in capital assets, net of<br>related debt | 546,930           | 0                          | 546,930           |
| Unrestricted                                       | 78,517            | (4,999)                    | 73,518            |
| <b>Net Assets</b>                                  | <b>625,447</b>    | <b>(4,999)</b>             | <b>620,448</b>    |
| <b>Total Liabilities and Net Assets</b>            | <b>\$ 640,262</b> | <b>\$ 7,799</b>            | <b>\$ 648,061</b> |

The Notes to the Financial Statements are an integral part of these statements.

## EXHIBIT B

HOUSING AUTHORITY OF GRANT PARISH  
ENTERPRISE FUNDS – STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND NET ASSETS  
YEAR ENDED MARCH 31, 2005

|  | General    | Housing Choice<br>Voucher | Total      |
|--|------------|---------------------------|------------|
| <b>OPERATING REVENUES</b>                  |            |                           |            |
| Dwelling rental                            | \$ 28,130  | \$ 0                      | \$ 28,130  |
| Other                                      | 6,824      | 922                       | 7,746      |
| Total Operating Revenues                   | 34,954     | 922                       | 35,876     |
| <b>OPERATING EXPENSES</b>                  |            |                           |            |
| Administration                             | 89,071     | 36,722                    | 125,793    |
| Utilities                                  | 8,765      | 0                         | 8,765      |
| Ordinary maintenance & operations          | 26,681     | 0                         | 26,681     |
| General expenses                           | 18,783     | 346                       | 19,129     |
| Depreciation                               | 69,165     | 0                         | 69,165     |
| Housing assistance payments                | 0          | 253,810                   | 253,810    |
| Total Operating Expenses                   | 212,465    | 290,878                   | 503,343    |
| Income (loss) from Operations              | (177,511)  | (289,956)                 | (467,467)  |
| Non Operating Revenues (Expenses)          |            |                           |            |
| Interest earnings                          | 909        | 171                       | 1,080      |
| Federal grants                             | 135,244    | 300,924                   | 436,168    |
| Total Non-Operating<br>Revenues (Expenses) | 136,153    | 301,095                   | 437,248    |
| Income (loss)                              | (41,358)   | 11,139                    | (30,219)   |
| Change in net assets                       | (41,358)   | 11,139                    | (30,219)   |
| Total net assets - beginning               | 666,805    | (16,138)                  | 650,667    |
| Total net assets - ending                  | \$ 625,447 | \$ (4,999)                | \$ 620,448 |

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF GRANT PARISH  
ENTERPRISE FUNDS – STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2005

|  | General   | Housing Choice<br>Voucher | Total     |
|--|-----------|---------------------------|-----------|
| <b>CASH FLOWS FROM<br/>OPERATING ACTIVITIES</b>                                  |           |                           |           |
| Rental receipts  | \$ 14,918 | \$ 0                      | \$ 14,918 |
| Other receipts   | 27,911    | (16,218)                  | 11,693    |
| Payments to vendors  | (64,334)  | (10,144)                  | (74,478)  |
| Payments to employees – net  | (77,534)  | (29,535)                  | (107,069) |
| Payments to private landlords  | 0         | (253,810)                 | (253,810) |
| Net cash provided (used) by<br>operating activities                              | (99,039)  | (309,707)                 | (408,746) |
| <b>CASH FLOWS FROM NON-CAPITAL<br/>FINANCING ACTIVITIES</b>                      |           |                           |           |
| Operating transfers in   | 51,480    | 0                         | 51,480    |
| Operating transfers out  | (51,480)  | 0                         | (51,480)  |
| Federal grants   | 111,666   | 304,187                   | 415,853   |
| Net cash provided (used) by non-<br>capital financing activities                 | 111,666   | 304,187                   | 415,853   |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>              |           |                           |           |
| Purchase of capital assets   | (22,791)  | 0                         | (22,791)  |
| Federal Capital Grants   | 16,891    | 0                         | 16,891    |
| Net cash provided (used) by capital<br>and related financing activities          | (5,900)   | 0                         | (5,900)   |
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES</b>                                  |           |                           |           |
| Interest income  | 909       | 171                       | 1,080     |
| Net cash provided (used) by<br>interest income net of purchases<br>of investment | 909       | 171                       | 1,080     |
| <b>NET INCREASE (DECREASE) IN<br/>CASH AND CASH EQUIVALENTS</b>                  | 7,636     | (5,349)                   | 2,287     |
| <b>CASH AND CASH EQUIVALENTS<br/>Beginning of Fiscal Year</b>                    | 56,136    | 10,739                    | 66,875    |
| <b>CASH AND CASH EQUIVALENTS<br/>End of Fiscal Year</b>                          | \$ 63,772 | \$ 5,390                  | \$ 69,162 |

Continued



HOUSING AUTHORITY OF GRANT PARISH  
ENTERPRISE FUNDS – STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2005

|  | General            | Housing Choice<br>Voucher | Total               |
|--|--------------------|---------------------------|---------------------|
| <b>RECONCILIATION OF OPERATING<br/>INCOME (LOSS) TO NET CASH<br/>PROVIDED (USED) BY OPERATING<br/>ACTIVITIES</b> |                    |                           |                     |
| Operating income (loss)  | \$ (177,511)       | \$ (289,956)              | \$ (467,467)        |
| Adjustment to reconcile operating<br>income to net cash provided by<br>operating activities:                     |                    |                           |                     |
| Depreciation Expense   | 69,165             | 0                         | 69,165              |
| Allowance - tenant   | 690                |                           | 690                 |
| Provision of uncollectible accounts  | 0                  | 0                         | 0                   |
| Change in assets and liabilities:  |                    |                           |                     |
| Receivables  | (13,902)           | (1,447)                   | (15,349)            |
| Due from other funds   | 20,560             | (962)                     | 19,598              |
| Inventories  | 435                | 0                         | 435                 |
| Prepaid items  | 2,837              | 0                         | 2,837               |
| Account payables   | 1,194              | 0                         | 1,194               |
| Accrued expenses   | (1,844)            | (1,164)                   | (3,008)             |
| Deferred revenue   | 588                | 2,169                     | 2,757               |
| Due to other funds   | (1,251)            | (18,347)                  | (19,598)            |
| Net cash provided by operations  | \$ <u>(99,039)</u> | \$ <u>(309,707)</u>       | \$ <u>(408,746)</u> |

**NONCASH INVESTING, CAPITAL  
AND FINANCING ACTIVITIES**

During the past year, the Low Rent program received capital assets with a net value of \$22,780 from the Capital Fund program. Both programs are accounted for in the General Fund.

Concluded

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2005

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HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of Grant Parish, serve staggered multi-year terms.

The Housing Authority has the following units:

|                         |             |     |
|-------------------------|-------------|-----|
| PHA Owned Housing       | FW – 2020   | 28  |
| Section 8               |             |     |
| Housing Choice Vouchers | LA – 120–VO | 113 |

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the Grant Parish Police Jury since the Grant Parish Police Jury appoints a voting majority of Housing Authority's governing board. The Grant Parish Police Jury is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Grant Parish Police Jury. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Grant Parish Police Jury.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

- 1) Appointing a voting majority of an organization's governing body, and:
  - a) The ability of the government to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

**B. FUNDS** The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing Low Rent program, and the Capital Fund program. The Housing Choice Voucher Fund accounts for the Section 8 Housing Choice Voucher program.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**New Accounting Standards Adopted** During the year ended March 31, 2005, the Authority adopted three new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB):

- Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.
- Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Ominous, an amendment of GASB Statements No. 21 and 34*.
- Statement No. 38, *Certain Financial Statement Note Disclosures*.

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

Statement No. 34 (as amended by Statement No.37) represents a very significant change in the financial reporting model used by state and local governments including special purpose governments such as the Housing Authority of Grant Parish. This new reporting model requires management to provide a narrative and analysis to the ordinary user called the Management's Discussion and Analysis (MD&A). This new reporting model also requires the financial statements to be presented on the entity as a whole (government-wide financial statements). The most significant changes to the financial statements are the format, classification of information and the classification of fund equity into various classes of net assets.

The impact of GASB #34 on the net assets balance is as follows:

|  |                   |
|--|-------------------|
| Retained Earnings, Beginning Balance as Previously Reported: |                   |
| Enterprise Funds   | \$ 88,206         |
| Adjustment For:  |                   |
| Reclassification of Contributed Capital                      | 562,461           |
| Net Assets, Beginning Balance                                | \$ <u>650,667</u> |

**PROPRIETARY FUNDS** Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**E. INVESTMENTS** Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**F. SHORT – TERM INTERFUND RECEIVABLES/PAYABLES** During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**G. INVENTORY** All purchased inventory items are valued at cost using first-in, first-out method. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

**H. PREPAID ITEMS** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

|                         |             |
|-------------------------|-------------|
| Site improvements       | 15 years    |
| Buildings               | 15-40 years |
| Building improvements   | 15 years    |
| Furniture and equipment | 5-7 years   |
| Computers               | 3 years     |

General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, sidewalks, and other infrastructure assets acquired subsequent to July 1, 2003.

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

**J. DEFERRED REVENUES** The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**K. COMPENSATED ABSENCES** The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

**L. RESTRICTED NET ASSETS** Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**M. INTERFUND ACTIVITY** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses.

All other interfund transfers are reported as operating transfers. Reimbursements are when one fund incurs cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**N. USE OF ESTIMATES** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

**NOTE 2 – DEPOSITS AND INVESTMENTS** Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name

Category 3 - Uninsured and unregistered investments held by the counter-party, its trust department, or its agent, but not in the Authority's name

At March 31, 2005 the Housing Authority has Cash equivalents, and investments totaling \$65,085 as follows:

|  |    |               |
|--|----|---------------|
| Cash on hand                           | \$ | 50            |
| Interest-bearing demand deposits       |    | 69,112        |
| Total                                  | \$ | <u>69,162</u> |
| Cash and cash equivalents              | \$ | 65,724        |
| Cash and cash equivalents – restricted |    | 3,438         |
| Total                                  | \$ | <u>69,162</u> |

Deposits are stated at cost, which approximates fair value.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At March 31, 2005, the Housing Authority's carrying amount of deposits was \$69,112 and the bank balance was \$69,357. Of the bank balance, \$70,068 was covered by federal depository insurance (GASB Category 1).



HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

**NOTE 3 – ACCOUNTS RECEIVABLE** The receivables at March 31, 2005, are as follows:

| <u>Class of Receivables</u> | <u>General</u> | <u>Housing Choice<br/>Voucher</u> | <u>Total</u> |
|-----------------------------|----------------|-----------------------------------|--------------|
| Local sources:              |                |                                   |              |
| Tenants                     | \$ 248         | \$ 0                              | \$ 248       |
| Landlord                    | 0              | 1,447                             | 1,447        |
| Insurance Co. – fraud claim | 13,200         |                                   | 13,200       |
| Federal sources:            |                |                                   |              |
| Grants                      | 15,195         | 0                                 | 15,195       |
| Total                       | \$ 28,643      | \$ 1,447                          | \$ 30,090    |

\$8,900 of federal grants receivable was for Low Rent operating subsidy. \$6,295 was a receivable for the 2004 CFP. The tenants account receivable is net of an allowance for doubtful accounts of \$7,527. The fraud claim was collected in June, 2005.

**NOTE 4 – CAPITAL ASSETS** The changes in capital assets are as follows:

|                                | <u>Balance<br/>03/31/04</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance<br/>03/31/05</u> |
|--------------------------------|-----------------------------|------------------|------------------|-----------------------------|
| Land                           | \$ 2,500                    | \$ 0             | \$ 0             | \$ 2,500                    |
| Buildings                      | 1,552,107                   | 1,028            | 0                | 1,553,135                   |
| Furniture and equipment        | 108,992                     | 21,764           | 0                | 130,756                     |
| Construction in progress       | 0                           | 0                | 0                | 0                           |
| Total                          | 1,663,599                   | 22,792           | 0                | 1,686,391                   |
| Less: accumulated depreciation |                             |                  |                  |                             |
| Buildings                      | 981,790                     | 59,091           | 0                | 1,040,881                   |
| Furniture and equipment        | 88,506                      | 10,074           | 0                | 98,580                      |
| Total                          | 1,070,296                   | 69,165           | 0                | 1,139,461                   |
| Fixed assets, net              | \$ 593,303                  | \$ (46,373)      | \$ 0             | \$ 546,930                  |

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

**NOTE 5 – RETIREMENT SYSTEM** The Housing Authority participates in a defined contribution plan. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one month of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 13% percent of each participant's basic (excludes overtime) compensation. This payment represents a 5% contribution by the employee, and an 8% contribution by the Housing Authority.

The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority. Normal retirement date shall be the first day of the month following the employee's 65<sup>th</sup> birthday or after 10 years of participation in the plan.

The Housing Authority's contributions were calculated using the base salary amount of \$53,522. The Housing Authority made the required contributions of \$7,843 for the year ended March 31, 2005, of which \$4,888 was paid by the Housing Authority and \$2,955 was paid by employees. No payments were made out of the forfeiture account.

**NOTE 6 – ACCOUNTS PAYABLE** The payables at March 31, 2005 are as follows:

|                  | General  | Housing Choice<br>Voucher Fund | Total     |
|------------------|----------|--------------------------------|-----------|
| Vendors          | \$ 3,143 | \$ 0                           | \$ 3,143  |
| Federal sources: |          |                                |           |
| Grants           | 0        | 7,979                          | 7,979     |
| Total            | \$ 3,143 | \$ 7,979                       | \$ 11,122 |

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

**Litigation** The Housing Authority is not presently involved in litigation.

**Grant Disallowances** The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

**Construction Projects** There are certain renovation or construction projects in progress at March 31, 2005. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Risk Management** The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

**NOTE 8 – INTERFUND RECEIVABLES / PAYABLES** Interfund receivables / payables at March 31, 2005 are as follows:

The general fund owes \$962 to the Housing Choice Voucher fund.

**NOTE 9 – COMPENSATED ABSENCES** At March 31, 2005, employees of the Housing Authority have accumulated and vested \$9,922 of employee leave computed in accordance with GASB, Codification Section C60.

**NOTE 10 – GENERAL LONG – TERM OBLIGATIONS** The following is a summary of the long – term obligation transactions for the year ended March 31, 2005.

|                         |    | Compensated<br>Absences |
|-------------------------|----|-------------------------|
| Balance, beginning      | \$ | 12,250                  |
| Additions               |    | 0                       |
| Deductions              |    | 2,328                   |
| Balance, ending         |    | 9,922                   |
| Amounts due in one year | \$ | 4,744                   |

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

**NOTE 11 – INTERPROGRAM TRANSFERS** Interprogram transfers for the year March 31, 2005 consists of the following:

| <u>Transfer To</u> | <u>Transfer From</u> |
|--------------------|----------------------|
| Low Rent           | Capital Fund         |

The Capital Fund grant provisions allowed the PHA to transfer \$51,480 to the Low Rent program to pay for eligible Low Rent expenses and to also increase the operating reserve. In addition, \$22,780 of hard costs of the completed 2001 Capital Fund was transferred to the Low Rent program.

**NOTE 12 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$436,168 to the Housing Authority, which represents approximately 93% of the Housing Authority's total revenue for the year.

## SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF GRANT PARISH  
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED MARCH 31, 2005

1. The Actual Modernization Costs are as follows:

|                          | 2002<br>Capital Fund | 2003<br>Capital Fund | Bonus<br>2003<br>Capital Fund |
|--------------------------|----------------------|----------------------|-------------------------------|
| Funds approved           | \$ 55,096            | \$ 42,776            | \$ 9,035                      |
| Funds expended           | 55,096               | 42,776               | 9,035                         |
| Excess of funds approved | \$ <u>0</u>          | \$ <u>0</u>          | \$ <u>0</u>                   |
| <br>Funds advanced       | <br>\$ 55,096        | <br>\$ 42,776        | <br>\$ 9,035                  |
| Funds expended           | 55,096               | 42,776               | 9,035                         |
| Excess of funds advanced | \$ <u>0</u>          | \$ <u>0</u>          | \$ <u>0</u>                   |

2. The distribution of costs by project as shown on the Final Statements of Modernization Costs dated June 8, 2004, and May 25, 2005 (on both 2003 CFP's) accompanying the Actual Modernization Costs Certificate submitted to HUD for approval are in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountants' report

EXHIBIT E(2)

HOUSING AUTHORITY OF GRANT PARISH  
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED MARCH 31, 2005

CASH BASIS

|                              |    | 2004<br>Capital Fund |
|------------------------------|----|----------------------|
| Funds approved               | \$ | 51,811               |
| Funds expended               |    | 26,295               |
| Excess of funds approved     | \$ | <u>25,516</u>        |
| Funds advanced               | \$ | 20,000               |
| Funds expended               |    | 26,295               |
| Deficiency of funds advanced | \$ | <u>6,295</u>         |

See accountants' report

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INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Governmental Auditing Standards*

Housing Authority of the City of Grant Parish  
Georgetown, Louisiana

We have audited the financial statements of each major fund of the Housing Authority of Grant Parish as of and for the year ended March 31, 2005, which collectively comprise the Housing Authority of Grant Parish's, basic financial statements and have issued our report thereon dated July 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of Grant Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Housing Authority of Grant Parish's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Audit Finding 05 – 01.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider Audit Finding 05 – 01 to be a material weakness.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Grant Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Audit Finding 05 – 01.

This report is intended for the information of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. Under state Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mike Estes, P. C.  
Fort Worth, Texas  
March 18, 2005

HOUSING AUTHORITY OF GRANT PARISH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED MARCH 31, 2005

| FEDERAL GRANTOR<br>PROGRAM TITLE                                      | <u>CDFA<br/>NO.</u> | <u>PROGRAM<br/>EXPENDITURES</u> |
|---|---------------------|---------------------------------|
| U. S. Department of Housing and Urban Development<br>Direct Programs: |                     |                                 |
| Low-Income Housing Operating Subsidy                                  | 14.850              | <u>54,253</u>                   |
| Housing Choice Voucher  | 14.871              | <u>300,924</u>                  |
| Public Housing Capital Fund   | 14.872              | <u>80,991</u>                   |
| Total United States Department<br>of Housing and Urban Development    | \$                  | <u>436,168</u>                  |
| Total Expenditures of Federal Awards                                  | \$                  | <u>436,168</u>                  |

HOUSING AUTHORITY OF GRANT PARISH  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED MARCH 31, 2005

**NOTE 1 – GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Grant Parish (the “Housing Authority”). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority’s general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 – BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority’s general-purpose financial statements.

**NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS** Federal awards revenues are reported in the Housing Authority’s general-purpose financial statements as follows:

|                                   |    | Federal Sources |
|-----------------------------------|----|-----------------|
| General                           | \$ | 135,244         |
| Section 8 Housing Choice Vouchers |    | 300,924         |
| Total                             | \$ | 436,168         |

**NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

**NOTE 5 – FEDERAL AWARDS PROGRAMS** In accordance with HUD Notice PIH 98-14, “federal awards” do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of Housing Authority bonds or for Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act “federal awards expended” threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be “expended” during the fiscal year.

HOUSING AUTHORITY OF GRANT PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2005

**Financial Statement Audit**

- i. The type of audit report issued was unqualified.
- ii. There was one reportable condition required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There was one instance of noncompliance considered material, as defined by the Government Auditing Standards to the financial statements.

HOUSING AUTHORITY OF GRANT PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2005

Prior Audit Findings and Questioned Costs

The prior audit report contained six audit findings, as follows:

Finding 04-01 – Ineligible Expenditures – Low Rent

This is repeated as Finding 05 – 01.

Finding 04-02 – Under Utilization of Section Eight Budget Authority and Voucher Issues

This finding is cleared, based on the implementation of FYE 2004 Consolidation Appropriations Act Provisions for the Housing Choice Program.

Finding 04-03 – Total Low Rent Routine Expense Exceeds Budget and Total Low Rent Salaries Exceed Budget

The actual amounts were less than budgeted in the current year. This finding is cleared.

Finding 04-04 – Various Quality Control Checks Need to be Performed and Documented

These checks improved in the current year. But, further improvement is still needed. See the current Management Letter comment, 05 – M1.

Finding 04-05 – Inspection – Low Rent and Section 8

The PHA had misplaced the inspection checklists in the prior audit year. They were available this year, reviewed this year on a test basis, and are deemed adequate. This finding is cleared.

Finding 04-06 – Information to Support PHAS – MASS Not Available

The PHA was exempt from filing the Management Advisory System for Public Housing Agencies for the prior year. But the indicator information must be kept for exempt years also. The PHA may have kept this information for the prior year, but it was not available for review.

In the current year, the MASS information was available. We reviewed it and no exceptions were noted. This finding is cleared.

HOUSING AUTHORITY OF GRANT PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2005

Current Audit Findings

Entity-wide or program/department specific

Low Rent

05-01 – Ineligible Expenditures

Statement of Condition

In performance of the audit for the year ended March 31, 2004, we noted five disbursements that appeared to be ineligible, and of a fraudulent type nature. Four of the disbursements were after March 31, 2004, which occurred in the current audit year.

The payments were made by the Assistant Director, who was terminated in July, 2004. The four payments in the current year totaled \$23,570. Payment was stopped on one of the four, that totaled \$9,600.

Criteria

The PHA should only make eligible expenditures. In conjunction with this, timely, adequate reviews of expenditures should be made by supervisory personnel.

Effect and Questioned Costs

\$13,900 of fidelity bond proceeds was collected in June, 2005.

Cause

Fraud was apparently committed by the Assistant Director, who was terminated in July 2004. In addition, two authorized persons sometimes co-signed checks in advance, which aided the Assistant Director in her mis-appropriation.

Recommendation

We recommended in the prior audit that checks should not be co-signed in advance. We also recommended that both check signers should review all underlying documentation.

For the current audit, we contacted the Board Chairman. He assured us that he did not sign any checks in advance, after the Assistant Director's fraud was noted. We also did not note any other evidence of checks being signed in advance.

HOUSING AUTHORITY OF GRANT PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED MARCH 31, 2005

Corrective Action Plan – Response 05 - 01

I am H.D. Jones, Executive Director and Designated Person to answer these findings. We have ceased signing checks in advance. We will continue to thoroughly review all supporting documentation for disbursements.

Low Rent and Section 8

Finding 05 – 02 – Inadequate Documentation of Utility Allowance Review

Statement of Condition

No documentation exists that utility rates were reviewed by the PHA.

Criteria

Federal regulations require the PHA to review utility rates at least annually, and revise the rates whenever there is a change of 10% or more in any category, (24 CFR Section 982.517).

Effect

Utility allowances may have been incorrect.

Cause

The PHA overlooked this.

Recommendation

The PHA should review annually and revise the rates, if necessary.

Corrective Action Plan – Response 05 - 02

Since the end of the fiscal year, an independent consultant reviewed our rates. New utility allowances will be effective on August 1, 2005, for move – ins, and annual recertifications.

**SEE MANAGEMENT LETTER ON NEXT PAGE**

HOUSING AUTHORITY OF GRANT PARISH  
SCHEDULE OF MANAGEMENT LETTER ITEMS

YEAR ENDED MARCH 31, 2005

05 M1 – Quality Control

The PHA only has two employees. The clerk calculates rental income, and performs the other tenant file maintenance functions. The Executive Director test checks the clerk on these matters. But these test checks need better documentation, as follows:

1. The Executive Director should note the dates of his review, and the items, or components selected for review. The review should note the exceptions noted, if any, and whether corrections were made.
2. In our test review of tenant files, we noted that tenant income was independently verified. However, both employees should be more familiar with HUD Notice PIH 2004 – 01, issued March 9, 2004.

Correction Action Plan – Response 05 M1

We discussed the documentation issue raised above with the auditor. We will better document the quality control reviews in the future. We will become more familiar with the HUD Notice PIH 2004 – 1, no later than August 5, 2005.



HOUSING AUTHORITY OF GRANT PARISH  
SCHEDULE OF AUDIT JOURNAL ENTRIES

YEAR ENDED MARCH 31, 2005

|   |   | ACCT. #<br>FOR<br>AUDIT<br>PURPOSES | DR     | CR     | ACCT. #<br>FOR<br>POSTING<br>TO PHA<br>BOOKS |
|---|---|-------------------------------------|--------|--------|--|
|   | <u>Section 8</u>  |                                     |        |        |  |
| 1 | Cash  | 111                                 | 4,077  |        |  |
|   | Housing assistance payments   | 973                                 |        | 3,155  |  |
|   | Other income  | 715                                 |        | 922    |  |
|   | To reclass old, outstanding checks written off.<br>\$922 applies to prior fiscal year |                                     |        |        |  |
|   | <u>Low Rent</u>   |                                     |        |        |  |
| 1 | PILOT expense   | 963                                 | 1,963  |        | Per Fee                                      |
|   | Other income  | 715                                 |        | 1,963  | Accountant                                   |
|   | To adjust for waived PILOT  |                                     |        |        |  |
| 2 | Accounts receivable   | 125                                 | 13,200 |        |  |
|   | Other assets  | 174                                 |        | 13,200 |  |
|   | To reclassify insurance claim for fraud that was<br>received in June 2005             |                                     |        |        |  |
| 3 | Tenant security deposits  | 341                                 | 588    |        |  |
|   | Deferred revenues   | 342                                 |        | 588    |  |
|   | To reclassify prepaid rents received  |                                     |        |        |  |
| 4 | Cash  | 111                                 | 52,303 | 3,438  |  |
|   | Cash – security deposits  | 114                                 | 3,438  |        |  |
|   | Investments   | 131                                 |        | 52,303 |  |
|   | To reclassify \$52,303 to cash equivalents,<br>and reclassify security deposits       |                                     |        |        |  |

**HOUSING AUTHORITY OF GRANT PARISH  
FINANCIAL DATA SCHEDULE**

**YEAR ENDED MARCH 31, 2005**

**PHA: LA120 FYED: 03/31/2005**

| Line Item No. | Account Description   | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total            |
|---------------|---|-------------------------|-------------------------|-------------------------------------|------------------|
| 111           | Cash - Unrestricted   | \$60,334                | \$5,390                 | \$0                                 | \$65,724         |
| 114           | Cash - Tenant Security Deposits                                   | \$3,438                 | \$0                     | \$0                                 | \$3,438          |
| 100           | <b>Total Cash</b>   | <b>\$63,772</b>         | <b>\$5,390</b>          | <b>\$0</b>                          | <b>\$69,162</b>  |
| 122           | Accounts Receivable - HUD Other Projects                          | \$8,900                 | \$0                     | \$6,295                             | \$15,195         |
| 125           | Accounts Receivable - Miscellaneous                               | \$13,200                | \$1,447                 | \$0                                 | \$14,647         |
| 126           | Accounts Receivable - Tenants - Dwelling Rents                    | \$7,775                 | \$0                     | \$0                                 | \$7,775          |
| 126.1         | Allowance for Doubtful Accounts - Dwelling Rents                  | \$-7,527                | \$0                     | \$0                                 | \$-7,527         |
| 126.2         | Allowance for Doubtful Accounts - Other                           | \$0                     | \$0                     | \$0                                 | \$0              |
| 126.1         | Allowance for Doubtful Accounts - Fraud                           | \$0                     | \$0                     | \$0                                 | \$0              |
| 120           | <b>Total Receivables, net of allowances for doubtful accounts</b> | <b>\$22,348</b>         | <b>\$1,447</b>          | <b>\$6,295</b>                      | <b>\$30,090</b>  |
| 142           | Prepaid Expenses and Other Assets                                 | \$777                   | \$0                     | \$0                                 | \$777            |
| 143           | Inventories   | \$140                   | \$0                     | \$0                                 | \$140            |
| 143.1         | Allowance for Obsolete Inventories                                | \$0                     | \$0                     | \$0                                 | \$0              |
| 144           | Interprogram Due From   | \$6,295                 | \$962                   | \$0                                 | \$7,257          |
| 150           | <b>Total Current Assets</b>                                       | <b>\$93,332</b>         | <b>\$7,799</b>          | <b>\$6,295</b>                      | <b>\$107,426</b> |
| 161           | Land  | \$2,500                 | \$0                     | \$0                                 | \$2,500          |
| 162           | Buildings   | \$1,441,658             | \$0                     | \$0                                 | \$1,441,658      |
| 163           | Furniture, Equipment & Machinery - Dwellings                      | \$25,649                | \$0                     | \$0                                 | \$25,649         |
| 164           | Furniture, Equipment & Machinery - Administration                 | \$87,450                | \$766                   | \$16,891                            | \$105,107        |
| 165           | Leasehold Improvements  | \$111,477               | \$0                     | \$0                                 | \$111,477        |
| 166           | Accumulated Depreciation  | \$-1,135,317            | \$-766                  | \$-3,378                            | \$-1,139,461     |
| 160           | <b>Total Fixed Assets, Net of Accumulated Depreciation</b>        | <b>\$533,417</b>        | <b>\$0</b>              | <b>\$13,513</b>                     | <b>\$546,930</b> |
| 180           | <b>Total Non-Current Assets</b>                                   | <b>\$533,417</b>        | <b>\$0</b>              | <b>\$13,513</b>                     | <b>\$546,930</b> |
| 190           | <b>Total Assets</b>   | <b>\$626,749</b>        | <b>\$7,799</b>          | <b>\$19,808</b>                     | <b>\$654,356</b> |

**PHA: LA120 FYED: 03/31/2005**

| Line Item No. | Account Description                             | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total            |
|---------------|---|-------------------------|-------------------------|-------------------------------------|------------------|
| 312           | Accounts Payable <= 90 Days                     | \$3,143                 | \$0                     | \$0                                 | \$3,143          |
| 322           | Accrued Compensated Absences - Current Portion  | \$2,094                 | \$2,650                 | \$0                                 | \$4,744          |
| 331           | Accounts Payable - HUD PHA Programs             | \$0                     | \$7,979                 | \$0                                 | \$7,979          |
| 341           | Tenant Security Deposits                        | \$2,850                 | \$0                     | \$0                                 | \$2,850          |
| 342           | Deferred Revenues                               | \$588                   | \$2,169                 | \$0                                 | \$2,757          |
| 347           | Interprogram Due To                             | \$962                   | \$0                     | \$6,295                             | \$7,257          |
| 310           | <b>Total Current Liabilities</b>                | <b>\$9,637</b>          | <b>\$12,798</b>         | <b>\$6,295</b>                      | <b>\$28,730</b>  |
| 354           | Accrued Compensated Absences - Non Current      | \$5,178                 | \$0                     | \$0                                 | \$5,178          |
| 350           | <b>Total Noncurrent Liabilities</b>             | <b>\$5,178</b>          | <b>\$0</b>              | <b>\$0</b>                          | <b>\$5,178</b>   |
| 300           | <b>Total Liabilities</b>                        | <b>\$14,815</b>         | <b>\$12,798</b>         | <b>\$6,295</b>                      | <b>\$33,908</b>  |
| 508           | Total Contributed Capital                       | \$0                     | \$0                     | \$0                                 | \$0              |
| 508.1         | Invested in Capital Assets, Net of Related Debt | \$533,417               | \$0                     | \$13,513                            | \$546,930        |
| 511           | Total Reserved Fund Balance                     | \$0                     | \$0                     | \$0                                 | \$0              |
| 511.1         | Restricted Net Assets                           | \$0                     | \$0                     | \$0                                 | \$0              |
| 512.1         | Unrestricted Net Assets                         | \$78,517                | \$-4,999                | \$0                                 | \$73,518         |
| 513           | <b>Total Equity/Net Assets</b>                  | <b>\$611,934</b>        | <b>\$-4,999</b>         | <b>\$13,513</b>                     | <b>\$620,448</b> |
| 600           | <b>Total Liabilities and Equity/Net Assets</b>  | <b>\$626,749</b>        | <b>\$7,799</b>          | <b>\$19,808</b>                     | <b>\$654,356</b> |

**HOUSING AUTHORITY OF GRANT PARISH  
FINANCIAL DATA SCHEDULE**

**YEAR ENDED MARCH 31, 2005**

**PHA: LA120 FYED: 03/31/2005**

| Line Item No. | Account Description              | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total     |
|---------------|----------------------------------|-------------------------|-------------------------|-------------------------------------|-----------|
| 703           | Net Tenant Rental Revenue        | \$27,879                | \$0                     | \$0                                 | \$27,879  |
| 704           | Tenant Revenue - Other           | \$251                   | \$0                     | \$0                                 | \$251     |
| 705           | Total Tenant Revenue             | \$28,130                | \$0                     | \$0                                 | \$28,130  |
| 706           | HUD PHA Operating Grants         | \$54,253                | \$300,924               | \$64,100                            | \$419,277 |
| 706.1         | Capital Grants                   | \$0                     | \$0                     | \$16,891                            | \$16,891  |
| 711           | Investment Income - Unrestricted | \$909                   | \$171                   | \$0                                 | \$1,080   |
| 714           | Fraud Recovery                   | \$0                     | \$922                   | \$0                                 | \$922     |
| 715           | Other Revenue                    | \$6,824                 | \$0                     | \$0                                 | \$6,824   |
| 720           | Investment Income - Restricted   | \$0                     | \$0                     | \$0                                 | \$0       |
| 700           | Total Revenue                    | \$90,116                | \$302,017               | \$80,991                            | \$473,124 |

**PHA: LA120 FYED: 03/31/2005**

| Line Item No. | Account Description  | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total     |
|---------------|--|-------------------------|-------------------------|-------------------------------------|-----------|
| 911           | Administrative Salaries  | \$43,263                | \$22,745                | \$0                                 | \$66,008  |
| 912           | Auditing Fees  | \$4,000                 | \$4,330                 | \$0                                 | \$8,330   |
| 914           | Compensated Absences   | \$-1,164                | \$-1,164                | \$0                                 | \$-2,328  |
| 915           | Employee Benefit Contributions - Administrative                | \$18,860                | \$5,343                 | \$0                                 | \$24,203  |
| 916           | Other Operating - Administrative                               | \$14,068                | \$5,468                 | \$10,044                            | \$29,580  |
| 931           | Water  | \$2,813                 | \$0                     | \$0                                 | \$2,813   |
| 932           | Electricity  | \$1,616                 | \$0                     | \$0                                 | \$1,616   |
| 933           | Gas  | \$484                   | \$0                     | \$0                                 | \$484     |
| 938           | Other Utilities Expense  | \$3,852                 | \$0                     | \$0                                 | \$3,852   |
| 941           | Ordinary Maintenance and Operations - Labor                    | \$10,259                | \$0                     | \$0                                 | \$10,259  |
| 942           | Ordinary Maintenance and Operations - Materials and Other      | \$6,487                 | \$0                     | \$2,576                             | \$9,063   |
| 943           | Ordinary Maintenance and Operations - Contract Costs           | \$2,887                 | \$0                     | \$0                                 | \$2,887   |
| 945           | Employee Benefit Contributions - Ordinary Maintenance          | \$4,472                 | \$0                     | \$0                                 | \$4,472   |
| 961           | Insurance Premiums   | \$15,606                | \$346                   | \$0                                 | \$15,952  |
| 962           | Other General Expenses   | \$551                   | \$0                     | \$0                                 | \$551     |
| 963           | Payments in Lieu of Taxes                                      | \$1,936                 | \$0                     | \$0                                 | \$1,936   |
| 964           | Bad Debt - Tenant Rents  | \$690                   | \$0                     | \$0                                 | \$690     |
| 969           | Total Operating Expenses                                       | \$130,680               | \$37,068                | \$12,620                            | \$180,368 |
| 970           | Excess Operating Revenue over Operating Expenses               | \$-40,564               | \$264,949               | \$68,371                            | \$292,756 |
| 973           | Housing Assistance Payments                                    | \$0                     | \$253,810               | \$0                                 | \$253,810 |
| 974           | Depreciation Expense   | \$65,787                | \$0                     | \$3,378                             | \$69,165  |
| 900           | Total Expenses   | \$196,467               | \$290,878               | \$15,998                            | \$503,343 |
| 1001          | Operating Transfers In   | \$51,480                | \$0                     | \$0                                 | \$51,480  |
| 1002          | Operating Transfers Out  | \$0                     | \$0                     | \$-51,480                           | \$-51,480 |
| 1010          | Total Other Financing Sources (Uses)                           | \$51,480                | \$0                     | \$-51,480                           | \$0       |
| 1000          | Excess (Deficiency) of Operating Revenue Over (Under) Expenses | \$-54,871               | \$11,139                | \$13,513                            | \$-30,219 |

**PHA: LA120 FYED: 03/31/2005**

| Line Item No. | Account Description  | Low Rent Public Housing | Housing Choice Vouchers | Public Housing Capital Fund Program | Total     |
|---------------|--|-------------------------|-------------------------|-------------------------------------|-----------|
| 1102          | Debt Principal Payments - Enterprise Funds   | \$0                     | \$0                     | \$0                                 | \$0       |
| 1103          | Beginning Equity   | \$644,025               | \$-16,138               | \$22,780                            | \$650,667 |
| 1104          | Prior Period Adjustments, Equity Transfers and Correction of Errors                    | \$22,780                | \$0                     | \$-22,780                           | \$0       |
| 1113          | Maximum Annual Contributions Commitment (Per ACC)                                      | \$0                     | \$312,025               | \$0                                 | \$312,025 |
| 1114          | Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months | \$0                     | \$0                     | \$0                                 | \$0       |
| 1115          | Contingency Reserve, ACC Program Reserve   | \$0                     | \$45,742                | \$0                                 | \$45,742  |
| 1116          | Total Annual Contributions Available   | \$0                     | \$357,767               | \$0                                 | \$357,767 |
| 1120          | Unit Months Available  | 336                     | 1,356                   | 0                                   | 1,692     |
| 1121          | Number of Unit Months Leased   | 274                     | 1,133                   | 0                                   | 1,407     |